

THE STATE FIRST NATIONAL BANK
OF TEXARKANA

11175

RECORDATION NO. Filed 1425

JAMES E. BURT, III
Chairman of the Board

DEC 07 1979 - 1 10 PM December 3, 1979

9-341A057

INTERSTATE COMMERCE COMMISSION

DEC 7 1979

Date

Fee \$ 100.00

Interstate Commerce Commission
Interstate Commerce Building
Washington, D.C. 20044

11175

ICC Washington, D. C.

RECORDATION NO. Filed 1425

Re: Security Interest of

The State First National Bank
Texarkana, Arkansas 75502

INTERSTATE COMMERCE COMMISSION

Ladies and Gentlemen:

You are hereby requested to record the enclosed Security Agreement, of which there is one original and two counterparts thereof. Enclosed is a check in the amount of \$50 to cover your recordation fee.

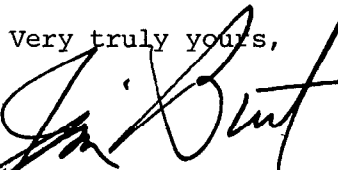
Under the Security Agreement, Hayes C. McClerkin whose address is Suite 6, State Line Plaza, Texarkana, Arkansas, 75502, grants a security interest in the equipment hereinafter described in this letter to The State First National Bank, a National Banking Corporation, whose address is Box 8000 State Line Plaza, Texarkana, Arkansas, 75502.

The Security Agreement relates to the railway equipment consisting of one (1) 4,750 cubic ft. capacity, 100 ton covered hopper car, ICC Road Number PLMX 11295.

When recorded, the document should be returned to:

The State First National Bank
Box 8000 State Line Plaza
Texarkana, Arkansas 75502

Very truly yours,



Chairman

DEC 7 1 26 PM '79
FEE OPERATION BR.

RECEIVED

SECURITY AGREEMENT

Hayes C. McClerkin
Box 8000 State Line Plaza
Texarkana Miller County Arkansas 75502
(Name) (City) (County) (State) (Zip)

hereinafter called "Debtor," hereby grants to THE STATE FIRST NATIONAL BANK OF TEXARKANA
300 Olive Street, Texarkana, Arkansas, hereinafter called "Secured Party," a
security interest in the following described property:

One (1) 4,750 cubic foot capacity, 100 ton covered hopper car, Interstate Commerce
Commission Road Number PLMX 11295.

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INTERSTATE COMMERCE COMMISSION

STATE OF ARKANSAS } ss
COUNTY OF MILLER }

I hereby certify that this is a true and correct
copy of the original instrument.

In testimony whereof, I have hereunto set my
hand and seal this 3 day of DEC 19 79

Notary

NOTARY PUBLIC
MILLER COUNTY, ARKANSAS
My Commission Expires Sept. 18, 1983.

(Note—If COLLATERAL is crops, or oil, gas or minerals to be extracted, or timber to be cut, or if COLLATERAL is to become a fixture, describe in the above space following the description of the COLLATERAL the real estate concerned, and give the name of the record owner hereof.)
together with all additions, accessions and substitutions thereto or therefor, and all similar property hereafter acquired, hereinafter called "Collateral." Proceeds of Collateral are also covered but this shall not be construed to mean that Secured Party consents to any sale of such Collateral.

If Collateral includes livestock, Debtor hereby grants a security interest in all increase thereof, all feed, both hay and grain, owned by Debtor, all water privileges, all equipment used in feeding and handling said livestock, and all of Debtor's right, title, and interest in and to all contracts and leases covering lands for pasture and grazing purposes.

This security interest is given to secure: (1) Payment of a note dated December 3, 1979, executed and

delivered by Debtor to Secured Party in the principal sum of \$ 48,859.07, payable as to principal and interest as therein provided; (2) future advances to be evidenced by like notes to be made by Secured Party to Debtor at Secured Party's option; (3) all expenditures by Secured Party for taxes, insurance, repairs to and maintenance of the Collateral and all costs and expenses incurred by Secured Party in the collection and enforcement of the note and other indebtedness of Debtor; and (4) all liabilities of Debtor to Secured Party now existing or hereafter incurred, matured or unmatured, direct or contingent, and any renewals and extensions thereof and substitutions therefor.

DEBTOR EXPRESSLY WARRANTS AND COVENANTS:

OWNERSHIP FREE OF ENCUMBRANCES. Except for the security interest granted hereby, Debtor now owns or will use the proceeds of the advances hereunder to become the owner of the Collateral free from any prior lien, security interest or encumbrance, and Debtor will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein.

FINANCING STATEMENTS. No financing statement covering the Collateral or any proceeds thereof is on file in any public office and Debtor will join with Secured Party in executing one or more financing statements in form satisfactory to Secured Party.

INSURANCE. Debtor will insure the Collateral with companies acceptable to Secured Party against such casualties and in such amounts as Secured Party shall require. All insurance policies shall be written for the benefit of Debtor and Secured Party as their interests may appear, and such policies or certificates evidencing the same shall be furnished to Secured Party. All policies of insurance shall provide at least ten (10) days prior written notice of cancellation to Secured Party.

MAINTENANCE. Debtor will keep the Collateral in good condition and free from liens and other security interests, will pay promptly all taxes and assessments with respect thereto, will not use the Collateral illegally or encumber the same and will not permit the Collateral to be affixed to real or personal property without the prior written consent of Secured Party. Secured Party may examine and inspect the Collateral at any time, wherever located.

REIMBURSEMENT FOR EXPENSES. At its option, Secured Party may discharge taxes, liens, security interests, or other encumbrances on the Collateral and may pay for the repair of any damage to the Collateral, the maintenance and preservation thereof and for insurance thereon. Debtor agrees to reimburse Secured Party on demand for any payments so made and until such reimbursement, the amount of any such payment, with interest at ten (10%) per cent per annum from date of payment until reimbursement, shall be added to the indebtedness owed by Debtor and shall be secured by this security agreement.

CHANGE OF RESIDENCE OR LOCATION OF COLLATERAL. Debtor will immediately notify Secured Party in writing of any change in Debtor's residence, and Debtor will not permit any of the Collateral to be removed from the location specified herein without the written consent of Secured Party.

DEBTOR FURTHER WARRANTS AND COVENANTS:

1. The Collateral covered by this agreement is to be used by Debtor primarily for

- ☐ Personal, family or household purposes
☐ Farming operations
☒ Business other than farming operations.

2. The Collateral is

- ☐ Now owned by the Debtor
☒ Being acquired with the proceeds of the advance evidenced by this agreement.

3. Debtor's residence is

- ☐ At the address shown above
☒ At 1 Spring Valley Lane, Texarkana, Miller County, Arkansas 75502
(Street Number) (City) (State)

4. The Collateral will be kept at locations in keeping with that lease agreement with PIM Railcar Management, Inc. (PMI), a California corporation (a wholly owned subsidiary of
☐ ~~Debtor's residence as shown above~~ PLM, Inc.), and Mo-Kan Grain, Inc., a Kansas corporation
dated May 11, 1979.

- ☐ At _____
(Street Number) (City) (State)

5. Debtor's chief place of business is

- ☒ In the county of Debtor's residence
☐ At _____
(Street Number) (City) (State)

EVENTS OF DEFAULT. Debtor shall be in default under this agreement upon the happening of any of the following events or conditions:

1. Default in the payment or performance of any obligation, covenant or liability contained or referred to herein;
2. Any warranty, representation or statement made or furnished to Secured Party by or in behalf of Debtor proves to have been false in any material respect when made or furnished;
3. Any event which results in the acceleration of the maturity of the indebtedness of Debtor to others under any indenture, agreement or undertaking.
4. Loss, theft, substantial damage, destruction, sale or encumbrance to or of any of the Collateral, or the making of any levy, seizure or attachment thereof or thereon;
5. Any time the Secured Party believes that the prospect of payment of any indebtedness secured hereby or the performance of this agreement is impaired;
6. Death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver for any part of the Collateral, assignment for the benefit of creditors or the commencement of any proceeding under any bankruptcy or insolvency law by or against Debtor or any guarantor or surety for Debtor.

REMEDIES: Upon such default and at any time thereafter Secured Party may declare all obligations secured hereby immediately due and payable and may proceed to enforce payment of the same and exercise any and all of the rights and remedies provided by the Uniform Commercial Code as well as all other rights and remedies possessed by Secured Party. Secured Party may require Debtor to assemble the Collateral and make it available to Secured Party at any place to be designated by Secured Party which is reasonably convenient to both parties. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will give Debtor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Debtor shown at the beginning of this agreement at least ten days before the time of the sale or disposition. Expenses of retaking, holding, preparing for sale, selling or the like shall include Secured Party's reasonable attorneys' fees and legal expenses.

No waiver by Secured Party of any default shall operate as a waiver of any other default and the terms of this agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the parties hereto.

Signed and delivered the day and year first above written.

SECURED PARTY:

THE STATE FIRST NATIONAL BANK

Box 8000 State Line Plaza

Texarkana, Arkansas 75502

By James E. Burt III (Name) Chairman (Title)

ASSIGNMENT AND ENDORSEMENT

For value received, this security agreement and the note it secures is hereby sold, assigned and transferred to

_____ who alone has the authority to release the same.

By _____

DEBTOR:

Hayes C. McClerkin (Name)
Hayes C. McClerkin

(Name)

(Corporate or partnership name)

By _____ (Name) _____ (Title)